



YWCA
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A TURNING POINT
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POUR LES FEMMES

**BLUEPRINT FOR COMMUNITY
ARCHITECTURE FOR EARLY CHILDHOOD
LEARNING AND CARE**

Lots to Build On, More to Do

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SECTION ONE

INTRODUCTION TO VANCOUVER

In 1990 the City of Vancouver adopted the Civic Childcare Strategy, which outlined the City's role in supporting the development of quality, affordable, accessible child care¹ services. Over time, the benefits of integrated services have become evident. For example, Vancouver currently has several neighbourhood hubs that strive to provide service integration for child development² and child care (and often other services such as recreation, senior and youth programs). Research and feedback from community and public partners support the further development and expansion of this work, as detailed in the City's 2002 consultation and resulting report "*Moving Forward*" *Childcare: A Cornerstone of Child Development Services* (available at <http://www.city.vancouver.bc.ca/ctyclerk/cclerk/020423/a13.pdf>).

THE PROJECT APPROACH IN VANCOUVER

YWCA Canada and YWCA of Vancouver recognized Vancouver's longstanding commitment to child care, the City's leadership role in child care planning and development, and the importance of the resources the City allocates to support services for children, youth and families. Since an integrated early learning and child care strategy for Vancouver, consistent with national criteria while responsive to unique neighbourhood needs, had already been:

- Developed through consultation
- Documented and published
- Approved by Vancouver City Council
- Affirmed by other stakeholders
- Evolving to varying degrees in neighbourhoods across the City
- Actively advocated for by City Council and others,

the City of Vancouver and YWCA Canada and Vancouver collaborated in this project to help advance the City's vision.

The project considered barriers to implementation, and possible solutions, such as the need to:

1. **Detail the Vision** – Given the City's commitment to expansion through neighbourhood hubs, the characteristics and common elements of hubs required further analysis to assist with needs assessment and planning.
2. **Cost the Vision** – While the lack of a stable funding base was a recognized barrier, the estimated costs and benefits of a comprehensive child care system specifically for the City of Vancouver had not been included in its strategy. Introducing such an analysis could build on existing cost/benefit work, utilize available financial information on City-supported child care programs, and begin to assess both the infrastructure and operating costs of integrated child development hubs. In this way, we hoped to influence the allocation of new child care funds in BC in evidence-based ways that are consistent with both national principles and Vancouver's vision.

PROJECT PARTICIPANTS

The project was supported by, and received input from, the City of Vancouver's Joint Council on Childcare which includes staff and elected officials from the City, School Board and Park Board, as well

¹ By definition, early learning is a component of quality child care. Therefore, the terms 'child care' and 'early learning and child care' are used interchangeably throughout this report.

² Participants in the City of Vancouver's 2002 consultation process emphasized the importance of services for school age as well as young children. As a result, the City's hub vision integrates child care for children under age 12 with other child development services families might need or choose, rather than focusing solely on early childhood development services for children under age six.

as representatives from UBC, Westcoast Child Care Resource Centre and community service providers.

In addition, many of Vancouver's existing or emerging hubs participated in two focus groups and provided specific input to assist with detailing and costing the hub model. They represented a range of services such as:

- Child care (centre-based for infants through school age children, including preschool, and links to family child care)
- Family support (parent/child drop-in, early literacy, parent education, etc.)
- Services for children and youth, immigrants, women, families at risk and children with special needs; resource and referral; health and wellness; and employment support programs.

Some organizations provide services that are accessed by many Aboriginal children and families, while others provide services that are accessed by families from different cultural and linguistic backgrounds. Focus group participants came from both unionized and non-unionized environments, are involved in social justice issues such as poverty and homelessness, and also work in or with recreation, education and crime prevention services.

Furthermore, between June 2004 and April 2005 more than 30 other groups and individuals received project materials, attended presentations and/or participated in discussions related to the project. These stakeholders included senior government officials and staff, as well as business leaders. The Vancouver project's Community Coordinator also presented at a large, cross-sectoral Vancouver forum on early childhood development (ECD) and child care where questions about hubs and child care's central role were discussed.

Finally, during May and early June 2005 the project's Community Coordinator provided keynote presentations for a provincial workshop tour. Almost 600 participants from diverse backgrounds (education, social services, child care, municipal government, early intervention, faith groups, etc.) and communities across the province met to hear about the research support for integrated ECD/child care hubs, the experience in Vancouver and to discuss their own successes and challenges with integrating ECD and child care service planning and delivery in their communities.³

The Vancouver project Community Coordinator would like to thank the many service providers as well as other groups and individuals who supported this project with their time, insight and experience. In particular, the contributions of consultants Sharon Gregson and Dan Rosen, City of Vancouver staff Carol Ann Young and Suzanne Blown, and the YWCA of Vancouver were greatly appreciated.

While both the YWCA of Vancouver and the City of Vancouver support the observations and recommendations in this report, the project Community Coordinator acknowledges that the following summary and analysis reflect her own perspective of the key learnings from the work in Vancouver.⁴

³ See http://www.earlylearning.ubc.ca/mapping_pres.htm for copies of the research presentation by Clyde Hertzman, as well as Lynell Anderson's presentation.

⁴ In addition to this blueprint, the following reports have been prepared through this project (available at YWCA of Vancouver's "A Healthy Start for Children" <http://www.ywcavan.org/>):

1. "Notes on the Rationale for Public Investment in Child Care in Canada," June 2004.
2. "Public Funding for Child Care in BC," June 2004.
3. "A Cost/Benefit Analysis of Early Learning and Child Care in Vancouver," August 2005.

SESSION TWO - WRITTEN AND SCHEMATIC DESCRIPTION

The City of Vancouver is committed to developing and supporting child and family friendly communities. Child care is central to this commitment, and “the City’s vision sets out a coordinated, comprehensive range of child development services including ...child care... in a network”⁵ of neighbourhood hubs. A hub helps to minimize the barriers that families face in accessing services— whether provided under one roof or in multiple locations, whether provided by one organization or several working in collaboration. Vancouver’s hubs develop unique responses to different neighbourhood needs so no two are identical. For example:

1. Britannia Community Services, working with Eastside Family Place, has co-location, shared space and/or partnership arrangements with various public partners and others, providing or linking to 325 licensed group child care spaces as well as family place, family support programs, school, recreation and library services.
2. Collingwood Neighbourhood House, with one main building and multiple locations throughout the neighbourhood, provides 265 licensed group child care spaces, as well as child care resource and referral, supported child care, family support programs, and a range of services for children, youth, adults and seniors. Collingwood’s relationships throughout the neighbourhood help families access other nearby community services. Through their on-site child care resource and referral program, Collingwood also has linkages to registered and licensed family child care providers in the area.

⁵ “Moving Forward” CHILDCARE: A Cornerstone of Child Development Services, City of Vancouver, April 2002, p. 14.

Given the variety of hub configurations that exist or are emerging in Vancouver, the City’s 2002 consultation establishes a starting place for defining a hub, confirming that they:

- Offer a range of integrated child development services, with child care as a cornerstone.
- Build healthy child development opportunities.
- Support both parental and non-parental care.
- Utilize public and community facilities, such as schools, community centres and neighbourhood houses.
- Require stable base funding to achieve the goals of quality, affordability and accessibility for children and families.
- Require infrastructure support for planning, outreach and administration.

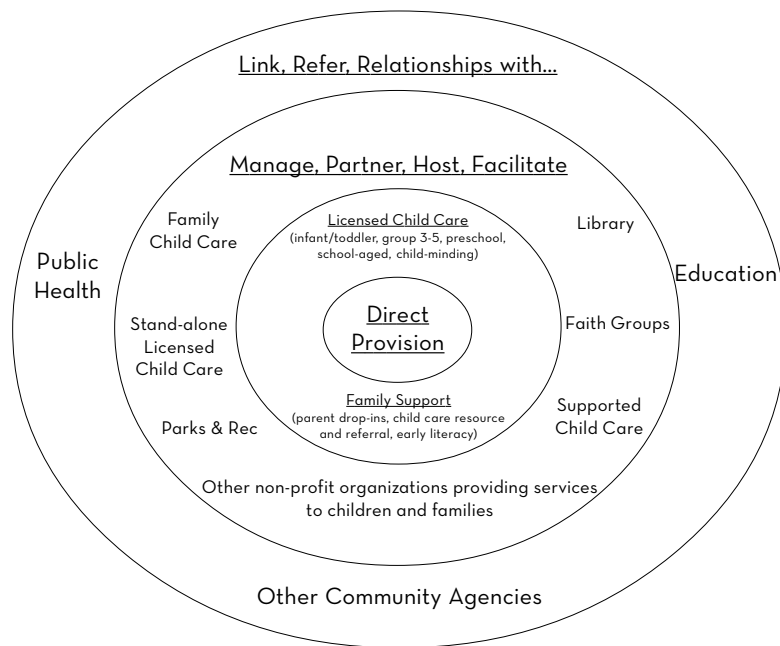
Currently, the City of Vancouver has at least a dozen hubs at various stages of development. Based on Vancouver’s vision and input provided by existing hubs, a further definition indicates that hubs are committed to:

1. Integrating and/or coordinating a range of neighbourhood-based child care and child development services.
2. Proactively assessing and supporting broader family needs – through direct delivery combined with outreach and various linkages in neighbourhoods.
3. Highlighting the importance of, and need for, the full range of high quality, affordable, accessible services for families.

As the following diagram and the earlier examples show, hub models can be delivered by a number of different organizations working together in different ways. However, service providers that work in hubs indicate that leadership from at least one organization

in a neighbourhood is required. While specific programs and services are determined according to neighbourhood need, all offer a mix of licensed group child care and family support programs that are visible and accessible within neighbourhoods. Child care programs could include infant, toddler, group 3-5, preschool, supported child care, child-minding and/or school age care, while family support programs could include family place drop-in, resource and referral services, parenting supports and literacy programs.

CHILD DEVELOPMENT HUB



This diagram further shows that hubs establish relationships (both formal and informal) with other neighbourhood services. Again, the types of linkages, and services linked to, will vary from neighbourhood to neighbourhood—the diagram is only a representation of the relationships that might be in place.

For example:

- Some hubs have contractual arrangements to provide administrative and professional support to smaller parent-run child care centres in the neighbourhood.
- In addition to its specialized licensed group child care program and family support programs, the emerging hub around YWCA of Vancouver’s Crabtree Corner in the downtown eastside provides short-term housing for vulnerable mothers and their children. The YWCA also partners with Sheway, which provides on-site health services, legal advocacy and other supports.

Vancouver’s hubs are committed to developing services that meet family needs, even when financially challenged to do so. For example, the demand for infant/toddler child care is well-documented, but so are the financial challenges of providing such care. Nonetheless, Vancouver’s hubs have increased the provision of infant/toddler care and currently provide or link to about 83% of the group infant/toddler care in the city (398 out of 477 spaces).

Full implementation of the City’s plan could result in child development hubs located in most of Vancouver’s 23 identified neighbourhoods. Each would be configured with a range of child care and child development services, supports and linkages that reflect unique neighbourhood needs and characteristics. Be it child care services, drop-in family place, early literacy programs, after-school recreation opportunities or referrals to external agencies, well-resourced neighbourhood-based child development hubs can offer something for every family.

SECTION THREE - BACKGROUND

HOW our model provides children with early learning opportunities at the same time as parents are supported to work/study and parent effectively:

With supportive public policy and funding in place, hubs can provide a range of affordable, high quality services that support both healthy child development and parents in their various roles.

HOW our model is accountable to communities:

Hubs are operated by non-profit community-based organizations, with Boards of Directors that are accountable to their constituents—members, families and other neighbourhood stakeholders. With resources in place for service infrastructure, hubs can also be accountable for taking a leadership role within communities to help plan, coordinate and deliver a continuum of child development services. They can also develop a process for community input and feedback regarding programs and services.

HOW our model is accountable to government, making efficient use of public resources:

The Vancouver strategy is consistent with the provincial and national advocacy initiatives that demand sufficient resources to ensure accountability through direct public funding (e.g. contracts), building in requirements to meet quality, affordability and access standards. In addition, the coordination and collaboration required by Vancouver's child development hub model efficiently uses public resources via:

- Centralized finance and administration, including coordinated waiting lists, casual staff database, etc.

- Staffing flexibility between programs.
- Opportunities to strengthen staff recruitment and retention (by combining part-time positions in different programs into full-time positions, by providing career path possibilities, etc.).
- Enhanced community use of existing public facilities such as schools, libraries, and parks.
- Leveraging other local funding sources (City, foundations, etc.) to strengthen coordination of and support for hubs.

At the same time, it's important to note that Vancouver's support for hub models is not predicated on cost savings. Hubs must be committed to proactive outreach to assess needs and plan and coordinate services within their neighbourhoods. They provide leadership in a variety of ways to advance child care and child development services and supports, and must develop linkages with a range of services and organizations. Further, they are expected to have strong financial, human resource and administrative systems and processes in place. All of these requirements for 'service infrastructure' need resourcing. Our publicly funded systems—health, education, post-secondary, etc.—all include such funding to support and advance direct service provision.

HOW our model better responds to the needs of children, families and communities than what is currently in place:

While the costs of high quality, affordable and accessible child care and child development hubs are substantial (see barriers: Lesson 6 for more details), the City's experience to date and research from other jurisdictions indicates that this investment is most likely to provide stable, integrated and responsive neighbourhood-based services. And, the status quo also carries a substantive but perhaps less visible cost.

First, without adequate public funding and policy support, Vancouver will likely continue to experience a chronic shortage of licensed child care spaces. The relatively few licensed spaces that do exist (serving less than 20% of Vancouver’s children) are too expensive for many families and may not be accessible in other ways (e.g. for children with additional support needs). Families who can’t access licensed or regulated spaces will continue to experience the stress of trying to ‘patch’ together services, sometimes with unlicensed, unregulated caregivers where the quality of care is unknown.

Second, without an integrated neighbourhood hub approach, fragmented, stand-alone services cannot be accountable for developing or linking to an integrated and comprehensive range of programs and supports that meet family needs.

Successful hubs do exist in Vancouver, despite the lack of public funding for their operations and infrastructure and the resulting challenges of quality, affordability and access. Nonetheless, most neighbourhoods still have services that are fragmented and underfunded, limiting user access and causing confusing gaps of, and/or duplication in, service.

HOW this model improves outcomes for children and families in our community:

Research shows that high quality, universally accessible, integrated child care and child development services support improved outcomes for children and families. Vancouver’s experience indicates that the neighbourhood hub model approach provides a foundation for quality, universality and integrated services, but even well-resourced hubs do not exist in a policy and funding vacuum. In order to improve outcomes for *all* children and families in our community, families also need high quality health and education services, food security, adequate housing and good jobs.

SECTION FOUR - DETAILS

On April 23, 2002, Vancouver City Council approved the report “*Moving Forward*” *Childcare: A Cornerstone of Child Development Services*. Details of Vancouver’s blueprint can be found in this report, which sets a direction for the continuance of the 1990 Civic Childcare Strategy (<http://www.city.vancouver.bc.ca/ctyclerk/cclerk/020423/a13.pdf>).

The full report also includes the administrative Council report, which documents the public consultation process related to *Moving Forward*, and minutes of the Council actions.

SECTION FIVE - BARRIERS

While the original project plan for Vancouver identified two barriers to be addressed (detailing and costing the hub vision), as the work unfolded other barriers became evident. The resulting six lessons capture the project Community Coordinator’s learnings about these barriers to, and strategies for, advancing child care/child development hubs. Perhaps not surprisingly, most of the following barriers to advancing hubs relate to barriers in advancing child care, a cornerstone of hubs:

1. Make no assumptions – while the research and international trends support the development of a child care system, the evidence is not necessarily well understood or accepted by the public at large.
2. Today’s reality influences our vision for tomorrow – the lack of substantive progress to date in child care, combined with the impacts of recent funding cuts and policy changes in BC, influences the ability to vision real and positive change, even with the current federal funding possibilities.

3. Local collaboration is key AND it's bigger than that – Vancouver has a two part approach: (1) cooperate/collaborate and (2) advocate.
4. Child Development Hubs - lots to build on, more to do.
5. Accountability for public funds requires a new funding approach for child care – a fundamental shift is required to move from reliance on user fees and subsidies to direct program funding, like kindergarten and other early childhood development services.
6. Quality and universality – closing the public funding gap.

LESSON 1 - MAKE NO ASSUMPTIONS

Although it may seem reasonable to assume that progressive child care public policy should promptly flow from the available evidence, the Vancouver project work indicates that research and evidence are not always understood or accepted by the public, including decision makers, government staff, and even some of our partners and allies working more broadly within the child and youth movement

Each of the project's Community Coordinators began their work by sharing current research on child care with stakeholder groups. Our literature review highlighted the many social and economic issues that quality child care addresses, yet preliminary discussions with some stakeholders indicated that this rationale was not well known. So, the *Notes on the Rationale for Public Investment in Child Care in Canada* (available at <http://www.ywcavan.org/>) were developed as the first public education materials under the Vancouver project.

Overall, some people have been influenced through these and other public education approaches, and as a result are supporters of public investment in a national system. While many others were already supportive, they indicated that the project documentation affirmed their knowledge and provided additional information and tools to help them in their advocacy work. Still others may have received the information but do not support substantial public investment in child care. There appear to be two broad barriers to gaining their support:

1. Level of government funding – a preference to continue with user fees and limited public funding targeted to low income families, rather than substantial public investment in a universal approach. While problems with targeted subsidy systems may be acknowledged, proponents generally believe these problems can be 'fixed'.
2. Personal values - fundamental value differences arise in discussions about the role of women outside the home and the resulting need for non-parental care. The fact that over 70% of women with young children in Canada are currently in the labour force speaks to some people's desire to try to reverse this trend, rather than the need to develop a child care system that meets the needs of what are now the majority of Canada's families.

Strategies used in trying to overcome these barriers included:

1. Stressing the evidence and positive outcomes from other jurisdictions that have substantial public investments in advancing high quality, universal child care, showing how Canada lags its peer countries.
2. Emphasizing the research showing that vulnerable families exist across the socioeconomic spectrum, so targeted approaches are not the solution.

3. Reminding people that Canada has experienced eight consecutive years of federal budget surplus and, overall, has the strongest economic indicators of all the G8 countries. While advocates understand that it may take up to 15 years to fully develop our system, Canada can afford to start now and do much more.
4. Helping people understand that it's unrealistic and costly to imagine that we can eliminate or even substantially reduce women's participation in the labour force. Canada's economy relies on this participation, and demographic analyses remind us that our reliance is increasing each year. Economists estimate that the cost of removing one parent from the workforce (from each family with young children) is at least \$83 billion each year, more than eight times the estimated incremental cost of a national child care program for all.
5. Attempting to dispel the myths and misconceptions about child care that still exist, such as perceptions that child care advocates are advancing compulsory, free, institutional child care rather than voluntary, affordable, community-based and community-delivered child care.

LESSON 2 - TODAY'S REALITY INFLUENCES THE VISION FOR TOMORROW

Stakeholder consultation on early learning and child care carries both the responsibility, and the challenge, of encouraging (yet another) discussion and visioning about positive change in the future, while acknowledging the difficult realities that have existed in child care for many years and continue to this day across much of Canada. This challenge has been particularly relevant recently in BC where, in spite of receiving a total of \$246 million in new federal funding for ECD, including child care, between 2001/02 and

2004/05, the provincial government reduced its annual child care funding by \$42 million, or 20%.

These provincial budget reductions were summarized in the Vancouver project's June 2004 analysis "Public Funding for Child Care in BC" (available at <http://www.ywcavan.org/>), which provided:

1. A foundation for the hub costing required for the project.
2. Public education materials, to help advance the overall project objectives.
3. Consideration of how things could be different in the future, while acknowledging the current impacts of the child care funding reductions.

The budget reductions have had substantial and lasting impacts for families and child care services throughout the province. Reduced child care subsidies meant that fewer families could afford child care, forcing program closures or wage rollbacks.

Furthermore, the consequences of these cuts have implications for BC's future child care policy development. Although BC's child care subsidy thresholds were restored effective January 2005, and slightly increased from their 2001 levels, licensed spaces aren't necessarily available for subsidized families—either because of program closure or because they are now occupied by full fee paying families.

Yet, BC should receive approximately \$100 million in new federal funds in 2005/06—an increase of 60% over 2004/05 provincial child care funding levels. Despite the acknowledged difficulties for child care in BC today, clearly there are opportunities for positive progress in the future. One of the challenges is to re-engage people's energy and enthusiasm about these opportunities.

LESSON 3 - LOCAL COLLABORATION IS KEY AND IT'S BIGGER THAN THAT

With its long history of local public partner, service provider and community collaboration in the planning, development and delivery of early learning and child care services, Vancouver can effectively utilize these new opportunities. And, these funding opportunities are essential for child care and child development to significantly advance in Vancouver.

Parents and other community members, as well as the City and other local public partners, have a long history of involvement in and support for community-based services. As a result, the majority of Vancouver's programs for children and their families are already provided by locally-based non-profit organizations and about half of Vancouver's licensed group child care programs are currently located in school board, park board or city facilities.

The 1990 Civic Childcare Strategy guided the City's early support for child care in areas such as grants to inner-city programs, neighbourhood planning, facility development, and community capacity building. The City's 2002 *Moving Forward* report updated this strategy, confirmed the hub model for expansion, and identified the need for policy coordination and integration at the local level. Vancouver's Windows of Opportunity for Children and Youth, a broad-based coalition of public partner and community service provider representatives, also has a child and youth planning document. And, the province-wide First Call Child and Youth Coalition has an ECD framework that includes child care.

Each of these documents reflects a unique scope, mandate or authority, yet there are broad areas of consistent and/or

complimentary recommendations regarding the need for integrated, neighbourhood-based ECD/child care services, with coherent and sustained funder approaches to implementation.

The City of Vancouver has a long history of child care/child development involvement, a vision that's fairly broadly shared, and an existing physical and community infrastructure. The Vancouver School Board also supports early learning and child care by, for example, prioritizing available space for licensed, non-profit child care programs. For many years these spaces were provided at no cost, but in recent years budget restrictions have resulted in the school board charging back the incremental costs incurred. Similarly, the Park Board supports a range of neighbourhood-based non-profit community services organizations, many of whom provide licensed child care, especially preschool, along with other programs for children and their families.

However, while local collaborations are developing in Vancouver and throughout BC, communities are also recognizing and in some cases working to address challenges to local collaboration, such as:

1. Concerns about the existence of multiple local tables involving ECD and child care. Vancouver alone has several, including the Joint Council on Child Care, Windows of Opportunity and The Learning City. Again, these groups have complimentary goals and objectives, but at least slightly different mandates, memberships, priorities and resources.
2. It takes time to collaborate, and relatively few have the resources for it.
3. Child care staff face particular barriers to participating in community planning and collaboration because most of them provide direct service and can't leave the program to attend daytime meetings.

4. Questions about who's 'at the table', and who's not, can arise. These questions may involve discussions about priority setting and, particularly if the table plays a role in resource allocation, potential conflict of interest.

It's important to address these concerns, because collaboration seems essential to moving forward with integrated services for children and families. Yet, local collaboration alone is not enough to bring about a comprehensive early learning and child care system. Vancouver's experience over the last 15 years and the learnings from other jurisdictions affirms that both policy coordination and substantial funding from senior levels of government are required for full system implementation. So, the City continues to advocate for this senior government support, while collaborating and integrating existing resources in order to preserve and slightly expand child care capacity in the meantime. For example, the February 2004 joint child care protocol between the City, School Board, and Park Board supports both of these objectives, and established the Joint Council on Child Care to oversee the implementation of this work.

The City of Vancouver continues to be a municipal leader in advocating for the kind of publicly funded child care system that would achieve its objectives. City Council endorsed the national building blocks advocacy campaign in November 2004, calling on federal, provincial and territorial ministers responsible for early learning and child care to agree on the right first steps needed to build an effective system.

Given Vancouver's existing foundation in child care and child development, local public partners and community service providers are well-positioned to collaborate in substantially and promptly advancing integrated services when senior government support is available, adequate and sustained.

LESSON 4 - CHILD DEVELOPMENT HUBS: LOTS TO BUILD ON, MORE TO DO

Vancouver's vision of child development hubs demonstrates the effectiveness of a coordinated and integrated approach to planning and delivering seamless services that meet family needs. Clearly, it can also support the creation and implementation of a phased-in publicly funded quality child care system.

Still, Vancouver's experience with hubs indicates that, while there is a lot to build on in the future, there is more work to do to overcome some specific barriers to full implementation:

1. The need for consistent, stable and adequate funding and policy support is probably the most widely recognized barrier to advancing child care in general and Vancouver's hub model in particular—without this funding and policy support, it is difficult to provide high quality services that are affordable and accessible for families, and as a result service planning and delivery and financial sustainability are difficult issues for service providers. The lack of support is particularly problematic for child care programs, as they rely primarily on parent fees, while other ECD programs do not. Furthermore, child care providers are understandably cautious about expanding services that rely so heavily on parent fees and the challenges of recruiting and retaining quality caregivers—despite the overwhelming demand from families for child care.
2. In order to provide quality services that meet neighbourhood needs, various discussions and consultations have affirmed that hubs also require resources and support for service infrastructure such as:
 - Program planning and development
 - Administrative support and financial management

- Leadership in neighbourhood outreach, collaboration and networking
- Enhancing service integration
- Program consultation/continuous quality improvement
- Increasing program capacity
- Innovation in programming (such as flexible hours of care and mixed age groupings)

Westcoast Child Care Resource Centre, with funding from the Province and the City, provides a range of services, training and resources that broadly support child care providers in this work, and families in accessing services. The City provides limited funding to support some of this work in City-owned facilities and more broadly in neighbourhood houses and other community facilities.

Currently, however, consistent and comprehensive public funding support for service infrastructure is lacking in neighbourhoods. As a result, some neighbourhoods are not as far along in planning and collaboration as others. Some service providers indicated they are committed to developing more integrated hubs, but cite the lack of resources for service infrastructure, combined with the demands of maintaining existing services, as barriers.

The City of Vancouver initiated discussions with federal and provincial government officials to address these service infrastructure needs. Recently, the Province provided a grant to the City to develop a comprehensive federal/provincial/municipal partnership proposal for service infrastructure funding.

3. The work under this YWCA Canada project highlighted the importance of ongoing discussions with service providers and other stakeholders as the City's hub model evolves, so it is helpful to note that these types of discussions will also be part of this provincial grant. As with child care overall, support for Vancouver's hub model approach is affected by a lack of information, myths and misconceptions. Through the project we were able to increase some people's understanding of hubs, while increasing the City's understanding about stakeholder concerns. For example, this project helped to answer the following questions:

- I. Does the hub plan mean that just one organization will be the lead in each neighbourhood? While hubs require leadership from at least one organization, they do not require one lead organization to take responsibility for all services. Vancouver's vision can be implemented with different approaches to governance. Already, in some neighbourhoods, multiple agencies collaborate in their approach to integrated service delivery through hubs.
- II. If I'm not a hub, where do I fit in? The goal is for all *new* child care and child development services to be provided through, or linked to, neighbourhood hubs. If you're currently providing stand-alone child care or child development services and you're not wanting or able to develop an integrated service hub, you may still want to explore hub linkages in the neighbourhood that would benefit your children and families. However, Vancouver's plan does not require existing stand-alone programs (such as a licensed group child care program or family place) to participate in hubs.

III. Why is child care a cornerstone of these hubs? Since over 70% of mothers with young children are in the work force, all children benefit from quality child care, and licensed spaces exist for less than 15% of BC's children, we know that most families need or want early learning and child care services in their neighbourhood. Vancouver has specifically developed facilities that support its commitment to child and family-friendly communities by providing integrated early learning and child care experiences. When quality child care programs are broadly accessible, they meet a range of community needs and are points of access for other family supports that may be required from time to time, such as early intervention, crisis services, health, etc.

LESSON 5 - ACCOUNTABILITY FOR PUBLIC FUNDS REQUIRES A NEW FUNDING APPROACH FOR CHILD CARE

In order to build a system of hubs that can address neighbourhood needs, the requirement for substantial public funding and coordinated policy has been noted throughout this report. However, how new public funds are spent is equally important.

Accountability for public funds requires a funding approach that is most likely to achieve the desired public outcomes. All of Vancouver's foundational work to build collaboration, highlight infrastructure needs and develop integrated, neighbourhood-based hubs reflects one overarching and evidence-based public outcome goal—a high quality, universal (i.e. affordable, available and accessible) system of child care and child development services for children and families.

Yet, international examples and the experiences across Canada confirm that BC's continuing reliance on user fees and public funding primarily through a subsidy system for low-income families is not the way to achieve this goal. And, while the Province's recent introduction of direct funding to licensed group and family-based programs through the Child Care Operating Fund (CCOF) has potential, this funding program currently lacks adequate funding levels and accountability mechanisms to ensure quality and universality are advanced.

A review of the current federal funding opportunity for BC can help explain these concerns. Under the new Agreement-in-Principle on Early Learning and Child Care, the Province will receive over \$125 million in additional annual federal funding, on average, over the next five years (total \$633 million). This funding represents a substantial increase but is not enough to provide a high quality, universal system (see Lesson 6 for estimated costs of such a system in Vancouver). Even if, as many hope, the Province restores and enhances its own contributions to early learning and child care, BC will still need to establish priorities and ensure that all funding is spent effectively addressing these priorities.

In addition to the service infrastructure requirements previously described, there are four action areas that will require priority setting and accountability mechanisms in order to effectively utilize new public funds. BC needs to advance:

1. Quality – by enhancing the known indicators such as caregiver remuneration, professional development, program standards and facilities.

Universality, to be achieved by –

2. Increasing affordability through reduced and limited parent fees.
3. Addressing accessibility through reduced barriers to access experienced by some groups such as children with additional support needs, families with different cultural backgrounds, at-risk or otherwise vulnerable families, etc.
4. Expanding services through increased spaces.

These priority areas are broadly consistent with government's commitment to the QUAD principles outlined in the new Agreements-in-Principle (i.e. quality, universally inclusive, accessible, and developmental).

Given the need for demonstrable progress in each of these areas, there are a number of concerns about using new federal funds to do 'more of the same' in BC. Currently, Clyde Hertzman reports that "there is a 10-fold difference in neighbourhood child care accessibility rates across Vancouver—ironically, the least-served neighbourhoods are found in the working class areas of the east side, where quality child care would likely have the greatest developmental benefit." (Making Early Childhood Development a Priority: Lessons from Vancouver, CCPA, May 2004.)

Since the two factors that will maximize the proven public benefits of child care are quality and universality, public accountability requires us to invest new funds in ways that are most likely to promote these benefits. Here are a few reasons why increased public funding through subsidies is not the most effective strategy:

1. Quality – *may* be improved in some programs, but BC's current subsidy approach lacks mechanisms to ensure quality. Unregulated, unlicensed caregivers can receive subsidies and, even for licensed providers, there is no accountability for, or even

direct link between, the subsidy funding they receive and key indicators of quality such as staff wages and benefits.

2. Universality (enough affordable, accessible spaces for all) – *may* be advanced for some families, but new investments under BC's current approach to child care means that the 'market system' can continue without substantial community and public partner collaboration in planning and establishing priorities over the amount, type, quality and location of new child care services that will benefit from public funding. Furthermore, BC's current public funding approach does not limit parent fees, the key indicator of affordability. In fact, the evidence over the last twenty years in BC is that when subsidies increase, so do fees, making child care even less affordable for those who don't qualify for subsidies.

Public accountability requires more than our hope that quality and universality *may* be advanced when substantial new funding is invested. So what's the solution? Other jurisdictions with effective child care systems under development, such as Québec, New Zealand, and more recently Manitoba, provide substantial and direct public funding to programs. This funding specifically addresses factors affecting quality and universality, establishing clear linkages between public investment and public outcomes.

Recently, BC began to move in this direction by consolidating a number of child care grant programs into one direct operating fund (CCOF) for licensed group and family-based child care services. While this approach has potential, there are two significant concerns:

1. The budget for this consolidated fund in 2004/05 was about 20% less than its individual predecessor grants.

2. Payments under this fund are tied to enrollment, rather than indicators of quality (such as staff training and compensation) or factors affecting universality (such as parent fees).

Given the substantial new funding planned for child care and the need for an evidence-based approach to public accountability, BC needs to develop a plan that begins to move child care away from primarily relying on user fees and subsidies. Realistically, subsidies may still be required to support access for some families and affordable user fees will be charged. However, in order to ensure high quality centre and family-based child care, community-based

programs need to receive, and be accountable for direct, substantial and sustained public funding.

LESSON 6 - QUALITY AND UNIVERSALITY: CLOSING THE PUBLIC FUNDING GAP

The substantial public investment required to develop high quality, universal child care has been a barrier to the development of a pan-Canadian system and, by extension, the full implementation of Vancouver's vision. This barrier exists despite multiple studies

showing that public investment in quality child care yields economic returns of at least 2:1 for all children and over 7:1 for children at risk.

The Vancouver project committed to analyzing the estimated incremental benefits and costs of the City's hub strategy in order to further the discussion about this barrier, and to help move the City's strategy into a more detailed plan. There are three parts to this work:

TABLE 1

Calculation of Costs, Fees and Public Funding (full-time spaces)

Part 1 - Current Costs and Funding

Estimated actual cost/space (2002 - per City information)

Cost components

Human resources costs (80%)

All other - program, facility, admin (20%)

Total costs - 2002 (assuming not substantially changed to 2004)

Funding sources:

Parent Fees (2004 city averages per Westcoast)

Provincial Operating Fund (CCOF) (pre-Oct/O5)

Actual Funding Gap - Deficits/Fundraising/Reduced human resources (note 1)

Part 2 - Quality Costs, Affordable Fees, and Required Public Funding

Current Costs

Add: Quality Enhancement Factor (20% of human resources - estimate)

Estimated Quality Space Cost (note 2)

Funding Sources:

Affordable Parent Fees (averaging 20% of costs)

Total Provincial Operating Funding Required

	Ages 1 & 2		Ages 3 - 5	
	Monthly	Annual	Monthly	Annual
Estimated actual cost/space (2002 - per City information)	1,500	18,000	750	9,000
Cost components				
Human resources costs (80%)	1,200	14,400	600	7,200
All other - program, facility, admin (20%)	300	3,600	150	1,800
Total costs - 2002 (assuming not substantially changed to 2004)	1,500	18,000	750	9,000
Funding sources:				
Parent Fees (2004 city averages per Westcoast)	900	10,800	600	7,200
Provincial Operating Fund (CCOF) (pre-Oct/O5)	206	2,467	110	1,315
Actual Funding Gap - Deficits/Fundraising/Reduced human resources (note 1)	394	4,733	40	485
Part 2 - Quality Costs, Affordable Fees, and Required Public Funding				
Current Costs	1,500	18,000	750	9,000
Add: Quality Enhancement Factor (20% of human resources - estimate)	240	2,880	120	1,440
Estimated Quality Space Cost (note 2)	1,740	20,880	870	10,440
Funding Sources:				
Affordable Parent Fees (averaging 20% of costs)	348	4,176	174	2,088
Total Provincial Operating Funding Required	1,392	16,704	696	8,352

1. Replicating the benefit/cost study of universal, quality child care for 2-5 year old children by economists Gordon Cleveland and Michael Krashinsky (*The Benefits and Costs of Good Child Care: The Economic Rationale for Public Investment in Young Children*, 1998).
2. Extending the cost analysis to incorporate the incremental costs of universal, quality and inclusive child care for children under 12 within child development hubs in Vancouver.
3. Providing options for consideration of how Vancouver's hub strategy could be advanced under various assumptions about increasing public investment.

While the three parts build on each other, all require an estimate of the average cost in Vancouver of a full-time, quality centre or family-based child care space for different age groups (2004 dollars). Information about current, actual costs in centre-based programs is available from service providers and the City of Vancouver, although in using averages it is important to note that wages, cost and administration structures, parent fees and other funding capacities vary significantly. However, establishing and costing quality, particularly regarding child care worker compensation, is more challenging. While broad consultation and consensus-building would be ideal, such an approach was beyond the scope of this project. Therefore, the quality space costs in Table 1 are estimated based on discussions with some of Vancouver's larger child care providers. At a minimum, the quality space cost estimates support wages of \$17-\$21/hour (plus benefits), reflecting the 2004 wage grid of one multi-service agency with fair wage and pay equity policies in place. The models developed in the Vancouver project allow different estimates and assumptions to be tested. Hopefully, they will contribute to a fuller discussion and deeper analysis of these important considerations in the future.

Table 1 (previous page) summarizes the estimated average costs, parent fees and public funding used in the models.

The relationship between program quality and child care worker compensation is well documented, and we know that the child care workforce is generally underpaid. It follows that increased public funding for program costs must improve child care worker compensation in order to enhance quality. These considerations raise two important points to note from this table:

1. Without the capacity to absorb or offset deficits, or charge higher parent fees, many programs are not able to compensate child care workers at the current actual cost levels shown. Therefore, the model assumes that public funding is required both to close the current funding gap (i.e. funding the average program deficit) and to enhance the funding for quality overall.
2. While the required *levels* of compensation can be discussed further, the workforce compensation *policy objective* is reflected in the financial models by showing that increased public funding for programs will be specifically dedicated to human resource costs. Furthermore, the Vancouver models assume the continuation of minimal or no rental costs since community and publicly-owned facilities such as neighbourhood houses and schools are used. This is a key assumption. Quality will not be maximized if substantial increases in public funding for child care programs are accompanied by substantial increases in rental payments, or other cost factors that don't advance compensation for, and professional development of, the child care workforce.

I. Benefit/Cost Study

Consultant Dan Rosen prepared the first financial model for the Vancouver project, adapting and building on the methodology employed by Cleveland and Krashinsky and incorporating the Vancouver costing information, staff/child ratios and numbers of children. This analysis (<http://www.ywcavan.org/>) provides estimates of the likely benefits and costs if all children ages 2-5 in Vancouver had access to publicly funded, quality⁶ child care, with parents paying 20% of the total costs. Consistent with the findings in the original study for Canada overall, the Vancouver model shows that every \$1 of public funding invested in this universal, high quality child care system yields a return of approximately \$2.

Total Net Costs	(\$ millions)	\$105.8
Child Development Benefits		\$93.8
Labour Force Benefits		\$118.1
Total Benefits		\$211.9
Net Benefits (Total Benefits - Total Net Costs)		\$106.1

II. Extending the cost analysis to incorporate full implementation of Vancouver's child care/child development hub model.

Four additional cost elements must be added to the previous costing in order to fully implement Vancouver's hub model. Additional resources are required for:

⁶ At a minimum, quality child care is licensed or regulated. Therefore, the costing models assume public funds are invested in licensed or regulated care. This is a substantial departure from longstanding BC policy where it's estimated that at least 1/4 of the provincial child care budget is currently spent on subsidies for unregulated care.

- Service infrastructure – to support community-based planning and program delivery
- Family support – to recognize increased child development services identified by service providers, such as family places, and integrate them with child care
- Child Care – for one year olds⁷ and children ages 6-12
- Inclusion – assuming about 10% of children require additional supports

Using Vancouver's 23 neighbourhoods as a costing guideline, full implementation estimates assume that, on average, \$275,000 per neighbourhood is required for additional service infrastructure and family support programs annually. While this estimate is based on some input from existing service providers, there is a wide range of existing resources, services, program costs and needs between neighbourhoods in Vancouver. More work is required both to refine this estimate, and determine how this funding would be equitably allocated to neighbourhoods.

However, the most significant cost factor in the hub model is child care, and the following table shows the estimated costs of full hub implementation under various assumptions about the ages of children who would be receiving quality, affordable, accessible care. The full implementation costing model reflects public funds required for operations (i.e. not including capital) and assumes that:

- About ¾ of school age children will access child care, and 100% of all children not attending school
- About half of these children will access full-time care and half part-time care

⁷ Full-time non-parental child care for children under age 1 is not included because many families utilize maternity and parental benefits (EI) during that time period, and hubs provide family support and other programs for families.

- Quality costs/full-time space/year, in centre or family-based care, for school age children average \$4,500/year.
- Quality costs/space for children requiring additional supports are estimated at twice the typical space costs.

The following table summarizes the results of extending the cost analysis first by adding 1 year old children (to capture the incremental public costs of early childhood development and care for all Vancouver children under six), and then adding children ages 6-12:

Incremental Annual Public Investment	(\$ millions)		
	Assuming child care for ages:		
	2 - 5	1 - 5 (with inclusion)	1 - 12
Service Infrastructure & Family Support	6.3	6.3	6.3
Child Care	105.8	167.3	224.8
Total Incremental Public Cost	112.1	173.6	231.1
Number of children served	17,792	22,474	46,474

III. Options for consideration of how Vancouver’s child development hub strategy could be advanced under various assumptions of increasing public investment.

As noted in lesson 5, advancing Vancouver’s hub strategy requires action in four priority areas: quality, affordability, accessibility, and expansion (or availability). There are discussions in various places, including the project’s second focus group session, about the balance between: (1) the need to stabilize existing programs, by enhancing quality and increasing affordability, and (2) prioritizing service expansion to provide more access for more families quickly.

In order to gather input on planning and priority setting, the Vancouver project undertook an exercise with over 60 participants including parents in child care programs, caregivers, child care managers, child development staff and local public partner representatives. Participants were asked to indicate their priorities for new child care funding by allocating \$100 between the four components of the public outcome goals (results shown in public funding allocation column in Table 2 on the next page).

The hub costing model was then extended to incorporate key financial indicators that would reflect each of the public outcome goals. Using the current and planned space costing and funding information previously described, the corresponding public funding gaps per FTE space were estimated for each financial indicator. The financial model then calculates the expected progress on each financial indicator, based on the established priorities for allocating those public funds.

To explain this model further, consider the costs for children ages 3-5. Table 1 on page 15 shows that the total annual public funding gap for **expansion** (new spaces) is \$8,352 per FTE space—the provincial operating funding required for a quality, affordable space. The total annual public funding gap for existing spaces is only \$7,037 because they already receive direct public funding of about \$1,315 (\$8,352 - \$1,315 = \$7,037). The funding gap for existing spaces can be further broken down into the **affordability** gap of \$5,112⁸ (average actual fees of \$7,200 less the goal of \$2,088) and the **quality** gap of \$1,925 (quality space cost of \$10,440 required for appropriate compensation levels, less current parent and public funding levels of \$7,200 and \$1,315 respectively).

⁸ Public subsidies may reduce the affordability gap for eligible low income families.

TABLE 2

Public Outcome Goals		Public Funding Gap		Public Funding Allocation	Current Federal Funding Commitment	Closing the Public Funding Gap		
		Existing Spaces \$/yr/FTE space	New Spaces \$/yr/FTE space			Vancouver 'share'; ages3-5 avg \$/year	Existing Spaces avg \$/year	New Spaces # of new FTE spaces created
Quality	Program budgets reflect quality; over 80% of costs in human resources	1,925		32%	2,560,000	896		Funding for quality to approx. 2,900 FTE spaces
Affordability	On average, parents pay 20% of program costs	5,112		28%	2,240,000	785		Funding for affordability; 2,900 spaces
Accessibility	10% of spaces costed at twice the basic quality costs/space		16,704	18%	1,440,000		TBD	Needs input on implementation priorities
Expansion	Spaces available to all, costs and funding reflect quality, affordability, inclusion		8,352	22%	1,760,000		587	Funded at improved level for existing spaces
Total		7,037		100%	8,000,000	1,681		

Table 2 on the previous page briefly summarizes this model, showing how Vancouver's share of the current federal commitment of \$5 billion over 5 years for children under six could begin to close the public funding gap and advance child care if appropriate accountability mechanisms were in place. Families and child care services in Vancouver should benefit from about \$16 million, on average, from this additional annual federal funding (estimate based on child population). Assuming that ½ of that funding applies to children ages 3-5, with the other half benefiting younger children, accountable direct operating funds could provide about \$1,700 per year per FTE space to enhance existing quality and affordability in Vancouver, almost 600 new family and centre-based spaces could be funded at these higher levels, and accessibility for Vancouver families could be demonstrably improved.

This approach to public funding can address some of the weaknesses identified in BC's current user fee/subsidy and CCOF funding approaches. With adequate and direct public investment in child care services that achieve specific targets, accountability for public funding is tied to concrete and measurable progress towards the public outcome goals.

IMPACT STATEMENT

The City of Vancouver has an integrated strategy for early learning and child care that meets community needs and is broadly consistent with national principles. Vancouver envisions a range of neighbourhood-based child care/child development hubs that provide affordable, high quality services, supporting both healthy child development and parents in their various roles.

Working collaboratively with the City of Vancouver, this project helped to advance the strategy by addressing some of the barriers to

full implementation. In particular, a series of financial models have been developed to estimate the costs of Vancouver's hub model strategy, and to plan for incremental implementation. These models are preliminary and based on broad estimates, yet they demonstrate an approach to ensuring that new federal and provincial government funding for child care will result in concrete progress towards the goals of quality, affordability, accessibility and expansion. Clearly, these models will benefit from further review and adjustment as implementation proceeds; hopefully they will help to advance this important work, even beyond Vancouver.

The title of this project report, *Lots to Build on – More to Do*, reflects both:

- the substantial work that the City of Vancouver, its local public partners, community service providers, and the community at large have done over the last 15 years to lay the groundwork for, and begin to implement, integrated services for young children and their families.
- the reality, acknowledged by all stakeholders, that there is much more to do to provide all children in Vancouver with access to a comprehensive range of high quality, affordable early learning and child care experiences.

Vancouver has been a national leader in working towards an integrated early learning and child care system, and a foundation of 'social' and physical infrastructure exists in many parts of the city. Vancouver is well-positioned to substantially and collaboratively advance such a system when senior government support is available, adequate and sustained. Research, evidence and local planning provides the rationale for moving forward, the current federal funding commitments provide the opportunity, and the work under this project suggests a funding path to follow.